

# THE ECONOMY: What Can We Expect?

Utah is deep into an economic downturn. Employment losses are adding up, and the inflow into the unemployment ranks is only slightly abating. Initial unemployment claim levels are dropping but still remain high enough to contribute to more bad economic numbers going forward. It appears that the economy is still trying to right itself, and there is more negative news yet to absorb.

But there is also the feeling nationwide that the worst of this economic downturn is behind us—that the economic free-fall that pervaded most of the winter is giving way to a feeling that we are somewhat getting our arms around this thing. Stabilizing the financial markets is the key to it all, and most of that sector's bad news has come and gone. There may be a few more dominoes yet to fall, but most of the falling has occurred.

If this is a proper assessment, we need to start thinking about when is the first chance to turn the economic corner. The momentum into the summer months is largely occurring as we speak, so there isn't much hope for it being this summer. The late fall and early winter hold more promise.

Although the job losses should stabilize by then, and may even start to rebound, a rapid recovery is not in the works. The financial sector was too severely battered to consider it fixed and ready to open for business again. That sector's transition back into its traditional and important role will be much slower than we would like.

Utah's economy will recover alongside the national economic recovery. Historically, Utah rebounds quickly and shows much swifter progress than the national economy. That pattern may not hold this time, at least not initially, as Utah's lagging housing market could be the factor that keeps Utah's recovery moderate. 📍



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economic recovery.

## Did You Know...

- Utah business executives are feeling more optimistic about their companies' financial futures. <http://www.deseretnews.com/article/705306588/Zions-executive-survey-takes-a-turn-toward-optimism.html>.
- Investors from around the country as well as in Utah invested in Utah businesses more frequently in 2008 than in 2007. <http://www.deseretnews.com/article/705305783/Investment-deals-grew-in-08-for-Utah-firms.html>.
- The Interior Department will invest \$118.7 million in Utah from the Obama administration's federal stimulus pot. [http://www.sltrib.com/news/ci\\_12360805](http://www.sltrib.com/news/ci_12360805).